



**U.S. Immigration
and Customs
Enforcement**

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News Release

California firm pays \$1 million for plot to export missile and fighter jet parts

SAN DIEGO – Michael Unzueta, Special Agent-in-Charge for U.S. Immigration and Customs Enforcement (ICE) in San Diego, today announced that a California company has paid a \$1 million criminal penalty to the U.S. District Court in the Central District of California for attempting to illegally export U.S. missile and fighter jet components overseas.

Kal Nelson Aviation Inc. (“Kal Nelson”) located at 9801 Glenoaks Blvd. in Sun Valley, CA, tendered \$1 million to the federal court this week as payment for the criminal penalty. In January 2006, Kal Nelson pleaded guilty to violating one count of 22 USC 2778 and 22 CFR 127.1 (a) attempted export of defense articles in violation of the Arms Export Control Act.

In 2003, ICE agents in San Diego, with assistance from the Defense Criminal Investigative Service (DCIS), launched an undercover investigation into reports of illegal arms exports by Kal Nelson. Through negotiations and transactions with undercover ICE agents, Kal Nelson sold and attempted to export in October 2003 five rotating units used in various U.S. military aircraft. In January 2004, Kal Nelson illegally sold and attempted to export six F-14 military fighter aircraft parts and eight LQ-5 military missile parts.

The components listed above are classified as U.S. Munitions and their export requires a license and authorization from the State Department. Kal Nelson did not have prior authorization or the required license from the State Department to export these items from the United States.

On June 29, 2004, ICE agents from San Diego and Los Angeles worked with DCIS agents to execute a search warrant on Kal Nelson’s business location, where they seized documents and other evidence. In November 2005, a criminal information was filed in the Central District of California pursuant to a negotiated criminal settlement, wherein Kal Nelson agreed to plead guilty to one count of attempting to illegally export defense articles and pay a \$1 million criminal fine. Kal Nelson also agreed to institute an export compliance program.

“In the post-9/11 world, keeping sensitive U.S. weapons technology from falling into the wrong hands has never been more important,” said ICE Special Agent-in-Charge Unzueta. “For this reason, enforcing the nation’s arms export control laws is one of ICE’s top priorities.”

ICE

U.S. Immigration and Customs Enforcement (ICE) was established in March 2003 as the largest investigative arm of the Department of Homeland Security. ICE is comprised of four integrated divisions that form a 21st century law enforcement agency with broad responsibilities for a number of key homeland security priorities.